

**CALIFORNIA BOARD OF ACCOUNTANCY**

2000 EVERGREEN STREET, SUITE 250
SACRAMENTO, CA 95815-3832
TELEPHONE: (916) 263-3680
FACSIMILE: (916) 263-3675
WEB ADDRESS: <http://www.dca.ca.gov/cba>

**ALERT****FRAUD CE EXPECTED TO BE REQUIRED IN 2005**

In 2003, the Board approved revisions to Section 87 of the California Board of Accountancy Regulations that would have required licensees subject to the 24-hour accounting and auditing (A&A) or governmental CE requirement to complete an additional eight hours of CE in fraud detection in each renewal period. While Section 87 was pending approval by the Office of Administrative Law, Governor Schwarzenegger issued Executive Order S-02-3, suspending any further action on all pending regulations. The Board and other state agencies are now allowed to proceed with pending regulations.

It is anticipated that the fraud CE requirement will become effective for licenses renewed on or after July 1, 2005.

If this new requirement takes effect, a licensee subject to the A&A or governmental CE requirement will need to complete an additional eight hours of fraud CE specifically related to the detection and/or reporting of fraud in financial statements. The fraud CE requirement is part of the 80 hours of CE required for license renewal, but is not part of the 24-hour A&A or government CE requirement.